

Ponoka Woollen Mills  
Limited

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PROSPECTUS  
AND  
STATUTORY INFORMATION

*Encourage Alberta  
Industries*



PONOKA WOOLLEN MILLS, LIMITED  
PONOKA, ALBERTA



# ALBERTA WOOL

The best evidence as to the value of Alberta's raw wool was given by Dr. Thomas Oliver, editor of the "Scottish Tweed Journal," professor at the Wool Technical College of Gallashiels, Scotland, owner of two mills at Gallashiels and probably the best known wool consultant in Great Britain. When interviewed in Calgary in 1931 the first question he asked was: "Why have you not a woolen mill in Alberta? The finest wool I have seen anywhere I have seen since I came to this province. Generally speaking it is much finer than anything I am able to buy for my mills. It is eminently suited for the manufacture of blankets, rugs, flannels and in fact any class of high grade woolens."

This quotation was taken from the Alberta Trade Commissioner's report on wool, in 1931. Alberta produces roughly 4,000,000 lbs. of raw wool per annum, which is considerably more than one half of the total production of the four western provinces and no province in Canada offers a better opportunity for the raising of high grade wool and mutton sheep than does Alberta.

## Water

It has been stated that because of the hardness in the water in Alberta and because of the lack of humidity Alberta is not a satisfactory place for this industry. It must be remembered that even in Scotland they have found the use of water softeners and artificial humidifiers to be of value. In all first class mills today, water softeners and humidifiers are used.

Several sites are available at Ponoka which have an abundance of soft water.

## Market Available

Practically every pound of wool goods or woolen yarn

used in Alberta is processed outside the province. There is no wool fabrication in Alberta outside the knitting industry and this industry finds it difficult to compete in many lines because of the high cost of yarns they have to import. The market for primary woollens in the four western provinces is approximately eight million dollars per year and the market for converted woollens of all kinds is in excess of 46 million dollars.

There is a ready home market for the company's entire output.

### **Advantage to Wool Producer**

Alberta wool is shipped in the grease to eastern Canada, to Boston and to England and as the average shrinkage due to dirt and grease is approximately 62½ %, the freight alone is a very important item.

The following gives a picture of the cost of movement of 500 lbs of raw wool from the farm to Liverpool in car lots.

Freight from farm to central shipping point .....	\$ 2.10
Handling charge at point of shipping .....	2.50
Freight to Toronto or Montreal .....	10.00
Handling charges and press packing .....	10.00
Terminal charges .....	2.00
Ocean freight .....	4.25
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Total .....	\$30.85

or over 6 cents per pound. Storage and selling cost not included.

### **Return Cost on Yarn**

Freight from English port to Alberta .....	\$12.94
Duty (British Preference) .....	41.04
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	\$53.98

or 26 cents per pound (also from Trade Commissioner's report).

In other words the farmer sells his wool for 10 cents a pound and buys it back at \$1.50 per pound.

In addition to the increased price for wool the mill if properly handled would pay handsome dividends to the shareholders.

The development of the woolen industry in Alberta would help bring financial stability to the province, as well as being the means of increased employment.

The company has secured the services of a technical man who has had forty years' experience as mill superintendent in some of the largest mills in England and the United States.

There is no watered stock, no promotion shares.

The provisional directors are prominent men of the Ponoka district, who are giving their time in the organization of this enterprise without remuneration.

# Ponoka Woollen Mills Limited

## *PROSPECTUS*

The Ponoka Woollen Mills Limited has been incorporated on November 4, 1936.

The registered office of the Company is in the town of Ponoka, in the Province of Alberta, and the objects for which the Company is established are:

(a) To buy, sell, manufacture and produce yarns of all description, cloth, clothing and wearing apparel of all kinds and descriptions, and all other kinds of goods or articles in which wool is used in the manufacture or production thereof and to dye, knit, weave and finish such yarns, cloth, clothing and wearing apparel, goods and articles, and to buy, sell, import, export and deal therein, and also to buy, sell, import, export and deal in or manufacture any articles or material necessary for the manufacture or production thereof.

(b) To maintain, conduct, manage, operate and carry on in all its branches the business or manufacturing, producing, selling, exporting and dealing in any and all kinds of wool, woollen goods and materials and all ingredients and other materials that may be used in connection with such manufacture or production and to carry on the general business of a woollen mill and factory.

(c) To buy and sell wool and woollen products on a commission basis or outright or otherwise howsoever.

(d) To have the power by an ordinary resolution of the Board of Directors to pay at the end of each Company year to each shareholder of the Company from whom the

Company purchased during such year wool or woollen products, a sum not to exceed five (5%) per cent. of the initial purchase price paid to such shareholder for such wool or woollen products, and the payment of any such sum and the amount thereof, if any, shall be in the sole discretion of the Board of Directors.

(e) To carry on, exercise and hold all the powers and rights conferred upon the Company under Section 19 of the Companies Act of the 1929 Statutes of the Province of Alberta.

The liability of the members is limited to the balance remaining unpaid on the shares they have subscribed.

The authorized capital of the Company is Fifty Thousand (\$50,000.00) Dollars, divided into five thousand (5,000) shares of the par value of Ten (\$10.00 Dollars each.

Any shareholder shall have one vote only irrespective of the amount of shares of stock that he may hold.

The following persons have subscribed to the Memorandum of Association and the Articles of Association of Ponoka Woollen Mills Limited and have agreed to take the number of shares in the capital of the Company set opposite their respective names:

Edith Rogers, Ponoka, M.L.A., 1 share.

W. F. Hughes, Ponoka, Farmer, 1 share.

W. W. Rogers, Ponoka, Teacher, 1 share.

R. Stuwart, Home Glen, Farmer, 1 share.

Glen Johnston, Ponoka, Farmer, 1 share.

G. S. McCaughey, Ponoka, Farmer, 1 share.

Roy E. Huff, Ponoka, Farmer, 1 share.

HJalmer Nelson, Ponoka, Farmer, 1 share.

James W. Vold, Ponoka, Farmer, 1 share.

Wm. Stafford, Ponoka, Farmer, 1 share.

J. W. Turner, Ponoka, Engineer, 1 share.

James Kinley, Lacombe, Retired, 1 share.

Frank S. James, Ponoka, Farmer, 1 share.

The above mentioned persons are also the provisional directors of the Company.

The services of James Kinley, of Lacombe have been secured to supervise and manage the erection and operation of the plant. Mr. Kinley has had seven years apprenticeship in his father's factory in the Isle of Man, England. He later was superintendent of the East Palmira Woollen Mills, in New York for a period of twelve years. Mr. Kinley also graded wool for Gallashields, of Scotland, the largest wool concern of Europe. Mr. Kinley had a personal experience of 40 years standing in the woollen business and his ancestors had been in the business for 450 years.

The Company is now issuing to the public 2000 shares. The directors will deposit all money subscribed in the Canadian Bank of Commerce at Ponoka and will not start operations until \$10,000.00 shall have been subscribed.

It is proposed to use this amount of \$10,000.00 for the purchase of property and equipment as follows:

Lots 4, 5 and 6, Block 11, Plan 7B,	
Townsite of Ponoka, and improvements	
thereto .....	\$2,000.00
1 Picking machine .....	100.00
2 Carding machines at \$500.00 .....	1000.00
1 Spinning machine at \$500.00 .....	500.00
1 Doubling and twisting machine .....	200.00
1 Machine for winding yarn .....	150.00
5 Looms at \$300.00 .....	1500.00
1 Warping machine .....	300.00
1 Knitting machine at \$250.00 .....	250.00
1 Knapping machine .....	200.00
1 Raising knap machine .....	200.00
1 Press .....	100.00
1 Sewing machine for finishig blankets .....	50.00
Tank for washing wool .....	250.00
2 Dye kettles at \$50.00 .....	100.00
1 Fulling mill .....	200.00
Engine .....	500.00
Machine for washing blankets .....	150.00



Drying apparatus .....	350.00
Estimates freight on machinery .....	1500.00
Total .....	\$9,700.00

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**STATUTORY INFORMATION required to be given in  
accordance with the provisions of The Companies Act,  
1929**

1. Date of Incorporation. November 4th, 1936.
2. Address of the registered office of the Comapny. Ponoka, Alberta.
3. (a) Contents of the Me- The capital stock of the Com-  
morandum and Articles ofpany consists of one class  
the Company as to the only and it is comprised of  
amount of the authorized 5000 shares of the par value  
capital and the shares or of ten dollars each.  
class of shares into which  
it is divided, and the  
amount of capital sub-  
scribed and paid up re-  
spectively, and the amount  
(if any) due from the  
Company in respect of  
mortgages.  
  
(b). Particulars of the The Company proposes to  
plan of operations or the buy property in town of  
business which the Com- Ponoka and also the neces-  
pany proposes to carry on sary machinery to enable it  
by means of the proceeds to commence processing  
of the subscription invited Alberta wool.  
by the Prospectus and the  
place where the operations  
or business will be carried  
on.  
  
(c). The number of shares The Company is now issuing

and amount of debentures offered by the Prospectus and the amount payable on the application for an allotment of each share or debenture and the amount or rate of any commission or discount to be paid or allowed thereon.

2000 shares for sale in order to enable it to buy the property and machinery above mentioned. 25% of the amount of the shares is payable on application, and the balance is payable immediately 1000 shares have been subscribed for. The Company may pay a commission of 10% on the sale of all or any of the shares sold.

(d). The amount fixed as a minimum subscription on which the directors may proceed to allot with an itemized account showing how that amount estimated or calculated, items for preliminary expenses, amount paid or payable for services rendered or to be rendered.

\$10,000.00 which shall be deposited in the Canadian Bank of Commerce, at Ponoka and held in trust until the full amount of \$10,000.00 shall have been subscribed in full. In the event of failure to obtain subscription to this amount, all sums paid on account of the shares shall be returned.

(e). Particulars of any property purchased or acquired by the Company or proposed so to be purchased or acquired which is to be paid for wholly or partly out of the proceeds of the subscription invited by this Prospectus, or is to be paid for by shares or debentures or the purchase or acquisition of which has not been completed at the date of issue of the Prospectus, and the title or in-

The Company now has an option on Lots 4, 5, and 6, Block 11, Plan 7B, Townsite of Ponoka, which it proposes to buy for \$1,000.00 out of monies received on the sale of shares by the Company.

terest acquired, or to be acquired by the Company.

(f) The name and address George Rook of Ponoka, of every vendor of property under clause "(e)" will. and in the case of a promoter the amount paid by him in cash, shares or debentures for the property for the last two preceding years and the amount (if any) for good will, paid or payable in cash shares or debentures to him for the property.

(g) Where debentures are No debentures are being offered for subscription, offered for subscription. particulars of security.

(h) Particulars, of any No amount whatever except services rendered, or to be commission on sale of the rendered to the Company, Company's shares as above which are to be paid by the provided and remuneration Company, wholly or partly for the Secretary-Treasurer. ly out of the proceeds of the subscription invited by this Prospectus or have been within the last two preceding years, or are to be paid for by such shares or debentures.

(i) The amount paid with- Nothing except the proposed in the last two preceding payment for the property as years, or intended to be set out in (e) and (f) above. paid to any promoter, with his name and address and the consideration for any such payment and the

amount in cash subscribed by him for shares in the Company or otherwise contributed by him to the Company.

(j). Particulars showing:

1. The amount of founders Nil.  
or management or deferred shares.

2. The right of voting at Every shareholder has the meeting of the Company right to one vote only, irrespective of the amount of a Company having shares shares held.  
of more than one class the rights conferred by several classes respectively.

3. The number of shares The holding of at least one (if any) fixed by the Articles as a qualification of a director. share in the Company in accordance with the requirements of said table "A".

4. Any provision in the Articles as to the remuneration of the Directors and the remuneration paid or payable to any director. The remuneration is also as fixed by Table "A" aforesaid.

5. Whether or not a copy This is as required under of the Company's annual Articles 90 and 91 of the said balance sheet and report Table "A."  
of the Directors and Auditors must be under the Articles be sent to the Members of the Company.

(k). The full names, descriptions and addresses of Mrs. Edith Rogers, Ponoka, Alberta, M.L.A.—\$10.00 for directors and proposed directors and the amount in 1 share.  
Frank S. James, Ponoka, Al-

cash subscribed by each berta, Farmer—\$10.00 for 1 or otherwise contributed share.

by each, of them to the Company.

W. W. Rogers, Ponoka, Alberta, Teacher—\$10.00 for 1 share.

W. F. Hughes, Ponoka, Alberta, Farmer—\$10.00 for 1 share.

R. Stuwart, Home Glen, Alberta, Farmer—\$10.00 for 1 share.

Glen Johnston, Ponoka, Alberta, Farmer—\$10.00 for 1 share.

G. S. McCaughey, Ponoka, Alberta, Farmer—\$10.00 for 1 share.

Roy E. Huff, Ponoka, Alberta, Farmer—\$10.00 for 1 share.

Hjalmer Nelson, Ponoka, Alberta, Farmer—\$10.00 for 1 share.

James W. Vold, Ponoka, Alberta, Farmer—\$10.00 for 1 share.

Wm. Stafford, Ponoka, Alberta, Engineer—\$10.00 for 1 share.

J. W. Turner, Ponoka, Alberta, Farmer—\$10.00 for 1 share.

James Kinley, Lacombe, Alberta, Retired—\$10.00 for 1 share.

1). Full particulars of the The only interest of the directors in the Company is in interest of every director the shares they have purchased as above set out.

the property proposed to be acquired by the Company.

(m). The names and addresses of the Auditors. Wm. Robertson, C.A., Edmonton, Alberta.

(n). The dates and parties to every material contract and a reasonable time and place at which any contract or copy thereof may be inspected. Option agreement between George Rook and Percy Griffin on behalf of the Company as above set out can be inspected at any time upon request to Mrs. Edith Rogers, President of the Company.

DATED at the Town of Ponoka, in the Province of Alberta, this 14th day of November A.D. 1936.

"Edith Rogers"  
"Frank S. James"  
"W. W. Rogers"  
"W. F. Hughes"  
"R. Stuwart"  
"Glen Johnston"  
"G. S. McCaughey"  
"Roy E. Huff"  
"Hjalmer Nelson"  
"James W. Vold"  
"John Stafford"  
"J. W. Turner"  
"James Kinley"

"Arthur E. Eastes"

Witness as to all the attached signatures.

## APPLICATION FOR SHARES

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# Ponoka Woollen Mills Limited

To the Directors of  
PONOKA WOOLLEN MILLS LIMITED,  
Ponoka, Alberta,

I hand to you herewith the sum of \$.....

and apply for..... shares of the  
Capital Stock of the above-named Company, of the  
par value of \$10.00 and request you to allot me that  
number of shares, and acknowledge receipt of a copy  
of the Prospectus of the Company dated November  
25th, 1936, and I hereby agree to accept such shares,  
or any smaller number that may be allotted to me,  
and authorize you to register me as the holder of  
such shares.

Signed .....

Address .....

Dated....., 193.....

Witness .....

Address .....

DECLARATION OF DIVIDEND

FOR THE YEAR ENDING 1911

TO THE STOCKHOLDERS OF THE  
[Company Name]

I, the undersigned, being the duly authorized officer of the  
[Company Name], do hereby declare that the sum of \$10.00 per  
share of the [Company Name] is to be paid as a dividend to the  
holders of the [Company Name] on the [Date] next, at the  
office of the [Company Name], at [Address].

Witness my hand and the seal of the [Company Name] this [Date] day of [Month], 1911.

By [Signature]  
[Name]  
[Title]